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December 1, 1943

COMMODITY CREDIT CORPORATION
INSTRUCTIONS CONCERNING LOANS ON 1943 CORN

Commodity Credit Corporation has authorized the making of loans and the purchase of eligible paper secured by corn stored on farms in certain areas. These instructions state the requirements of Commodity Credit Corporation with reference to making such loans on corn and the purchase of notes secured by corn.

1. Definitions.--For the purpose of these instructions and the notes and mortgages relating thereto, the following terms shall be construed, respectively, to mean:

(a) Eligible Producer.--An eligible producer shall be any person, partnership, association, or corporation producing corn in 1943 in areas where farm storage is feasible, as landowner, landlord, or tenant with respect to whose farm no deductions from payment have been or will be computed under the 1943 agricultural conservation program for failure to meet 90% of the 1943 war crop goal.

(b) Eligible Corn.--Ear corn, from December 1, 1943 to June 30, 1944, inclusive, and shelled corn from June 1, 1944 to June 30, 1944, inclusive, produced in 1943, shall be eligible in all areas where farm storage is feasible except the area in which corn is subject to Angoumois moth infestation, provided:

(1) The beneficial interest to such corn is and always has been in the eligible producer; or

(2) Such corn was purchased by an eligible producer who will operate a different farm in 1944 from that operated in 1943 from another eligible producer, and the number of bushels placed under loan is not in excess of the number of bushels produced by the producer on the farm operated by him as an eligible producer in 1943; ~~or~~ *and*

(3) Such corn is merchantable field corn which grades No. 3 or better (except for moisture content or grading No. 4 on test weight only) as defined in the Official Grain Standards of the United States, and that the moisture content is not in excess of the following:

Ear Corn

From December 1, 1943 to March 31, 1944, both inclusive	20.5%
From April 1, 1944 to April 30, 1944, both inclusive	17.5%
From May 1, 1944 to June 30, 1944, both inclusive	15.5%

Shelled Corn

From June 1, 1944 to June 30, 1944, both inclusive

13.5%

Where corn is otherwise eligible, but subject to Angoumois moth infestation, eligibility is confined to ear corn pledged for loan between December 1, 1943, and March 31, 1944, both inclusive. The Angoumois moth infestation area shall be designated by State agricultural conservation committee subject to approval of the Regional Director, Agricultural Adjustment Agency.

(c) Storage.--Eligible storage shall consist of cribs or bins which are of such substantial and permanent construction as to afford protection against rodents, other animals, thieves, and weather, as determined by the county agricultural conservation committee.

(d) Lending Agency.--Any bank, cooperative marketing association, corporation, partnership, or person, making loans in accordance with these instructions upon C.C.C. Grain Form A (Revised), secured by chattel mortgages on C.C.C. Grain Form AA (Revised), which has executed the Contract to Purchase on 1940 C.C.C. Form E.

(e) Eligible Paper.--For the purpose of the Contract to Purchase (1940 C.C.C. Form E), eligible paper shall consist of producer's notes (C.C.C. Grain Form A, Revised) which have been approved by a member of the county agricultural conservation committee.

2. Amount.--Loans will be made on eligible corn to eligible producers in accordance with the county loan rates as indicated in 1943 C.C.C. Corn Form 1 - Supplement 1. The rate for corn classified as "Mixed Corn," shall be 2 cents less per bushel. A bushel of ear corn shall be determined by using not less than 2.5 cubic feet of ear corn testing not more than 15.5 percent in moisture content. An adjustment in the number of bushels of ear corn will be made for moisture content in excess of 15.5 percent in accordance with the following schedule:

Moisture Content Percent	Adjustment Factor	Moisture Content Percent	Adjustment Factor
15.6 to 16.5 Incl.	98%	18.6 to 19.5 Incl.	92%
16.6 to 17.5 "	96%	19.6 to 20.5 "	90%
17.6 to 18.5 "	94%	Above 20.5	no loan

A bushel of shelled corn shall be determined by using not less than 1.25 cubic feet of shelled corn.

3. Maturity and Interest Rate.--Loans will bear interest at the rate of three percent (3%) per annum. Loans mature on October 1, 1944, unless they are called at an earlier date by Commodity Credit Corporation.

4. Filing Chattel Mortgages.--Chattel mortgages covering the corn must be executed and filed in accordance with the applicable State law. The corn collateral must be free and clear of all liens except in favor of the lienholders listed on the chattel mortgage with signatures thereto. Where the producer is a tenant, the expiration date of the lease must be shown on the chattel mortgage and the consent for storage agreement executed if the lease expires before December 1, 1944. Any fraudulent representation made in the execution of the note and mortgage and related forms shall render the producer personally liable for the amount of the loan and subject to the provisions of the U. S. Criminal Code.

5. Delivery of Collateral.--Producer is required to pay off his loan on or before October 1, 1944, or to deliver his collateral as soon as practicable thereafter. In the event the farm is sold, or there is a change in tenancy, or the corn is stored in a designated Angoumois moth area, the collateral may be delivered before October 1, 1944, upon prior approval of the county committee.

6. Insurance.--Commodity Credit Corporation will not require producers to insure their 1943 corn placed under loan. In the event a total loss of collateral occurs from an external cause, with the exception of a loss caused by conversion, negligence, or vermin, the Commodity Credit Corporation will mark the note paid and return it to the producer. In case of a partial loss, the note will be credited at loan value, plus interest for the number of bushels on which the loss occurred. No loss will be assumed by the Corporation if it is determined that there is fraudulent representation on the part of the producer in connection with the loan. The Corporation will assume losses beginning with the date of disbursement of the loan and ending on the date funds for repayment of the note are delivered to a representative of the Corporation, the date such funds are placed in the mail if submitted direct to the Corporation by the producer, or the date title to the corn is acquired by the Corporation, whichever is earlier.

7. Set-offs.--Loans to eligible producers who, as shown by the county AAA office debt register, are indebted to the United States or any agency or corporation thereof, will not be approved by the county committee unless the producer designates the United States or the agency or corporation thereof to which he is indebted as the payee of the proceeds of the loan to the extent of such indebtedness not to exceed that portion of the proceeds remaining after deduction of the amounts designated to be paid to prior lienholders.

8. Producer Responsibility.--The note and mortgage govern the responsibility of the producer and should be read carefully. In case the producer delivers the corn collateral in payment of his loan, he shall deliver a quantity of shelled corn, grading No. 3 or better (except No. 4 on test weight only), equal to the number of bushels upon which the loan was computed. (Producers are responsible for any loss in quantity or quality due to insect infestation or any other reason, except as provided in item 6 above).

9. County Committee Approval.--Each note (C.C.C. Grain Form A, Revised) must be approved by a member of the county committee of the county in which the corn is stored. The date of approval must not be prior to the date of the note, or the date of the chattel mortgage securing the note.

The member of the county agricultural conservation committee signing in the space provided on the grain producer's note (C.C.C. Grain Form A, Revised) certifies for and on behalf of the county committee that the corn securing the note, the storage structure(s) in which such corn is stored, and the class, quality, and quantity of such corn have been inspected, determined, and sealed in accordance with the requirements of the Commodity Credit Corporation.

10. Source of Loans.--Loans may be obtained from Commodity Credit Corporation or any approved lending agency. Notes representing loans made direct with Commodity Credit Corporation should indicate Commodity Credit Corporation as payee and should be mailed to the Chicago office of the Corporation. Notes representing loans made with other agencies should bear the name and address of the lending agency as payee. Substitutions for the note and chattel mortgage forms as provided by Commodity Credit Corporation will not be accepted.

11. Purchase of Loans.--Commodity Credit Corporation will purchase without recourse, eligible paper as defined in section 1(e) hereof, only from lending agencies which have executed and delivered to the Regional Director of Commodity Credit Corporation serving the area a Contract to Purchase (1940 C.C.C. Form E). Notes held by lending agencies may be tendered to Commodity Credit Corporation, Chicago, Illinois, at any time prior to September 1, 1944, but must be tendered for purchase upon request of the Commodity Credit Corporation and in no event later than September 1, 1944. The purchase price to be paid by Commodity Credit Corporation for notes accepted will be the face amount of such notes, plus accrued interest from the respective dates of disbursement to the date of payment of the purchase price at the rate of 1-1/2 percent per annum. Under the terms of the Contract to Purchase, lending agencies are required to report weekly on 1940 C.C.C. Form F all payments or collections on producers' notes held by them, and to remit promptly to Commodity Credit Corporation an amount equivalent to one and one-half (1-1/2%) interest per annum on the principal

amount collected from the date of disbursement on the note to the date of payment. In connection with the 1943 corn loan program, lending agencies must submit notes and reports to the Regional Director, Commodity Credit Corporation, 208 South La Salle Street, Chicago, Illinois.

12. Release of Collateral. --A producer may obtain release of all or part of his collateral by paying to the lending agency or Commodity Credit Corporation, whichever holds the note, the loan value plus accrued interest for the number of bushels released.

Commodity Credit Corporation will purchase notes on which partial releases have been made by lending agencies provided the note is credited by the lending agency for the full amount of the loan on the corn released plus interest at the rate of 3% per annum when 1-1/2% interest per annum on such principal amount collected has been submitted to the Regional Director of the Chicago office.

County agricultural conservation committees will be requested to release the mortgage from county records after payment in full has been made by the producer.

